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DCI/IC-78-0016
22 May 1978

NOTE FOR THE DIRECTOR

FROM:

[Redacted]

Deputy to the DCI for Resource Management

SUBJECT: Meeting with Deputy Secretary Duncan and Mr. David Aaron,
22 May 1978

1. The meeting with Aaron and Duncan should cover two topics:
 - a. Whether and how to press further for separation of NFIP and DoD budgets in Spring Review; and
 - b. Strategy for cooperating with Aaron and Duncan/Brown at tomorrow's session.
2. On the separation issue:
 - a. It does not become operational until 2 June when the DoD budget review is held. Randy Jayne and Dave Sitrin originally agreed it was a good idea; since then "technical" reasons have been discovered that make it difficult.
 - b. These reasons have never been explained to my satisfaction. They seem to relate to estimation of outlay rates and the financial execution of the budget.
 - c. There is no reason for such problems--as I understand them--to be relevant at this phase of the budget cycle.
 - d. OMB's difficulties may stem from the fact that their program review groups do not do the outlay estimates; those are the responsibility of Dale McOmber's people, the budget review group.

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e. On Friday, Sitrin pushed hard to defer bringing this issue before the President prior to September. I said I would check with you.

f. We may want to back off, but there is no reason not to extract commitments from OMB in return. We have the same problem with State, FBI, and the other agencies. Unless their NFIP components are really separated, "full and exclusive authority" is certainly impaired.

g. I should think DoD would be firmly on our side.

3. On the joint strategy issue:

a. Both Aaron and Duncan ought to be willing to support your view that OMB's assessments of satisfaction of requirements are too simple and too optimistic.

b. In particular, the contribution of national systems to helping fight a war is overlooked by OMB.

c. Also, the DoD guidance is about [redacted] above ours. Much of the difference could be associated with systems providing support to tactical commanders.

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d. Thus, all three of you would speak to requirements satisfaction and the adequacy of the NFIP; Duncan might logically press for a higher level for the increments of capability they desire most.

e. I think all three of you should agree as well that this is a rotten time in the cycle to make the detailed program decisions OMB calls for.

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